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FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 3671  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
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RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 5825  
RUEHBJ/AMEMBASSY BEIJING 3533  
RUEHKO/AMEMBASSY TOKYO 3395  
RUEHIT/AMCONSUL ISTANBUL 4067  
RHMCSUU/CDR USCENTCOM MACDILL AFB FL  
RUEAIIA/CIA WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC  
RHEFDIA/DIA WASHDC  
RUEKJCS/JOINT STAFF WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L ASHGABAT 001388

SIPDIS

STATE FOR SCA/CEN; EEB  
ENERGY FOR EKIMOFF/BURPOE/COHEN  
COMMERCE FOR EHOUSE

E.O. 12958: DECL: 10/30/2019  
TAGS: [EPET](#) [ECON](#) [PGOV](#) [EINV](#) [BTIO](#) [TX](#)  
SUBJECT: TURKMENISTAN OFFERS PROPOSAL TO CHEVRON

REF: ASHGABAT 1353

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b) and (d).

¶1. (C) Chevron Vice President for Business Development told Charge on October 29 that the Turkmen had proposed that Chevron take over gas processing in the country, thereby supplanting the Russians. He said that this proposal had been offered during a meeting he had earlier that day with State Agency for Management and Use of Hydrocarbon Resources Director Yagshygeldi Kakayev and Turkmengaz State Concern Chairman Nury Muhammedov. Kakayev said the Turkmen wanted Chevron to take over gas processing from Gazprom and to handle marketing for Turkmen gas. Kakayev promised that if Chevron would work on this, there would be the possibility to expand operations here. The Chevron executive told Charge that he wanted to take the Turkmen up on this proposal, and his company would prepare a confidentiality agreement.

¶2. (C) The Kakayev/Muhammedov meeting was the main meeting the visiting Chevron executives had during this visit to Turkmenistan. There also had been a courtesy meeting with Deputy Chairman for Oil and Gas Baymyrat Hojamammedov on October 28 on the margins of an event at the hippodrome. Chevron had not been able to meet with Berdimuhamedov, because they were unable to be in Ashgabat on October 26 when the President was receiving foreign business leaders.

¶3. (C) COMMENT: This is big news. Although Chevron previously had pushed to work onshore, their willingness to show flexibility (by accepting Berdimuhamedov's invitation to visit for Independence Day and accepting the gas processing proposal) could pay off in a big way (reftel). Taking over for Gazprom will be a major and lucrative project. If Chevron were to successfully take over gas processing from Gazprom, it would allow the Turkmen to lessen Russia's influence on its gas sector, and the Turkmen would most likely be very grateful to Chevron for that. As Kakayev said, this could be a stepping stone to expanded cooperation with Chevron. Most interesting of all, this seems to mean that the Turkmen are not reaching a deal with Gazprom on gas anytime soon. END COMMENT.

